

By: Gutierrez

H.B. No. 1626

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a taxing unit other than a school district to enter into a tax abatement agreement with an owner of real property in a tax increment financing reinvestment zone.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 311.0125, Tax Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Except as provided by Subsection (b-1), to [To] be effective, an agreement to abate taxes on real property in a reinvestment zone must be approved by:

(1) the board of directors of the reinvestment zone;
and

(2) the governing body of each taxing unit that imposes taxes on real property in the reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the zone.

(b-1) Subsection (b) does not apply to an agreement to abate taxes on real property in a reinvestment zone that is entered into by a taxing unit that does not deposit and has not agreed to deposit any of its tax increment into the tax increment fund for the zone.

SECTION 2. The change in law made by this Act applies only to a tax abatement agreement entered into on or after the effective date of this Act. A tax abatement agreement entered into before the

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1 effective date of this Act is governed by the law in effect on the
2 date the agreement was entered into, and the former law is continued
3 in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2017.